IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

BALLY MANUFACTURING CORPORATION, Plaintiff, v. D. GOTTLIEB & CO. and WILLIAMS ELECTRONICS, INC., Defendants.	Civil Action No. 78 C 2246 JUDGE GRADY

MEMORANDUM OF DEFENDANT GOTTLIEB
IN SUPPORT OF DEFENDANT WILLIAMS' MOTION
FOR ACCESS

This is a patent case involving computerized pinball machines. Plaintiff Bally Manufacturing Company ("Bally") has accused D. Gottlieb & Co. ("Gottlieb") and Williams Electronics, Inc. ("Williams") of making and selling infringing pinball machines.

This motion involves discovery sought from Bally, and specifically involves discovery of documents and facts as to when the inventors of the Bally patent made their invention. Because of a complex history explained in Williams' Memorandum, Bally has provided a number of documents allegedly evidencing its dates of invention to Williams in a sealed envelope under "agreed" terms which preclude Williams from opening the envelope.

It is the position of Gottlieb that the purpose of any agreement which may have existed has been served, and that defendants should now be permitted to discover the invention dates of the patentees.

The time at which the invention involved in any contested patent was made is absolutely critical to the determination of the patent's validity. The patent statute is replete with statutory requirements that deny patentability if the invention is known, is obvious, has been used or made prior to the making of the invention by the patentee. To wit:

> "§102. Conditions for patentability; novelty and loss of right to patent
>
> A person shall be entitled to a patent unless --
>
> (a) the invention was known or used by others in this country,...before the invention thereof by the applicant for patent,...
>
> (g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it."
>
> "§103. Conditions for patentability; non-obvious subject matter
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." (Emphasis applied.)

In this case, defendants Williams and Gottlieb were aware of computerized pinball games which had been successfully built and operated by two California companies at a time believed to be prior to the completion of the invention by the patentees. When plaintiff became aware of these contentions of prior uses and inventions, plaintiff refused to produce any documents or answer interrogatories directed to the issue of when plaintiff made its invention on grounds that revelation of the critical dates could be prejudicial to plaintiff since it would fix their position while leaving the evidence of third party activity to be somehow "manipulated" to be prior.

An agreement was reached that Williams would receive the documents directed to the invention dates of Bally in a sealed envelope, to be opened when discovery with respect to the prior inventions in California had been completed. Gottlieb's former principal counsel concurred in such an agreement.

However, weeks of deposition testimony now have been taken relatively fixing the activities which were involved in the computerized pinball developments in California. There is no longer a possibility that the evidence can be manipulated. Moreover, the prior invention evidence which Gottlieb and Williams intend to rely upon is principally concerned with acts of <u>independent</u> third parties over whom defendants have no control.

Under such circumstances any misconduct which plaintiff might fear "would be most difficult to accomplish". Technitrol, Inc. v. Digital Equipment Corp., 180 U.S.P.Q. 192 (N.D. Ill., 1973).

Moreover, to keep defendants in the dark respecting the facts surrounding the making of the invention now almost one year after the initiation of the action is unfair, prejudicial and borders on the absurd. In a patent action where facts relating to genesis of the alleged invention are so critical to the validity of the plaintiff's position, further delay in permitting defendants to investigate the facts is totally unwarranted.

Respectfully submitted,

By _____

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